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FM AMEMBASSY TALLINN

TO RUEHC/SECSTATE WASHDC PRIORITY 0706

INFO RUEHZN/EUROPEAN POLITICAL COLLECTIVE

RUEHFT/AMCONSUL FRANKFURT 3088

UNCLAS SECTION 01 OF 02 TALLINN 000242

DEPT FOR CA/FPP; PLEASE PASS TO KCC: POSTS FOR FRAUD PREVENTION
MANAGERS

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [CMGT](#) [KFRD](#) [ASEC](#) [CVIS](#) [CPAS](#) [EN](#)

SUBJECT: FRAUD SUMMARY - TALLINN: 2nd QUARTER 2008

REF: A) 07 TALLINN 938 B) 07 TALLINN 759 C)07 STATE 83571

¶1. COUNTRY CONDITIONS: Estonia's economy grew rapidly in 2007, approximately 7.3 percent, albeit at a slower pace than expected. Growth is predicted to fall to 4.3 percent in FY 2008. Labor shortages exist in the country both as a result of declining birth rates and outsourcing of Estonia's labor-pool to other parts of the EU. Unemployment for calendar year 2007 was estimated at 5.2 percent nationally, but varied considerably from region to region, with higher unemployment notable in the Russian-speaking, Eastern parts of the country. In most Estonian families, both husband and wife are employed.

A large ethnic Russian minority (about 29%) resides in Estonia. Significant divisions between them and the Estonian majority remain, as evidenced by the disturbances that followed the GoE's decision to relocate a Soviet-era, World War II Memorial in April 2007 (reftel A). Public and GOE discussion of integration issues increased significantly immediately following the riots, and the GOE approved the second phase of its integration strategy (2008-2013) in April.

Presently, approximately 115,000 persons in Estonia are considered stateless and travel on Estonian-issued "alien passports", also known as gray passports, which accord some travel privileges to EU and Schengen countries but not the same as those guaranteed to Estonian passports. The number of stateless persons is decreasing steadily.

Estonia has issued machine-readable passports since February 2002, a photo-digitized passport since May 2005 and an E-passport with biometric data chip since May 2007. Alien passports are made to the same standard as the Estonian citizen passports.

The volume of Estonian travel to the United States is low, due largely to the country's small population, and the relatively small Estonian-American population in the United States. Moreover, no direct, commercial flights exist between Estonia and the United States. A weakening dollar, however, has made travel to the U.S. more attractive and affordable for Estonians.

Russian and Estonian organized crime groups exist in Estonia and members sometimes seek U.S. visas.

NB: On March 30, 2008 Estonia fully joined the Schengen area, abolishing internal controls on all land, sea and air borders with other Schengen zone countries. Some GoE officials have suggested that Schengen accession will lead to an increase in Estonia's TCN population.

¶2. NIV FRAUD: No significant changes from the previous fraud summary. Post continues to verify suspicious applicant-provided information using various online resources, including but not limited to Lexis-Nexis, CCD, and Estonian search mechanisms to verify personal, financial and business information. While no

significant NIV fraud was detected at Post for January to March 2008, Post confirmed approximately 10 overstays using data from a 2006 upload to CLASS of 7500 L lookouts based on missing I-94 data. Post has also encountered a handful of applicants trying to enter under false pretenses by using illegitimate contact names.

Of special note, two Estonian nationals were apprehended in the United States in March by the FBI. The individuals were using stolen bank account information and ATM blanks to steal money from checking accounts. The individuals obtained their visas under what appeared to be legitimate employment and visiting friends in Brooklyn, NY.

¶3. IV FRAUD: To date, no fraud has been detected among IV applicants in Tallinn. Post began full IV and DV processing in May 2007.

¶4. DV FRAUD: See above regarding IV fraud.

¶5. ACS AND PASSPORT FRAUD: None detected since previous fraud summary.

¶6. ADOPTION: No change from previous fraud summary.

¶7. ASYLUM AND OTHER DHS FRAUD: As reported in (reftel B), Post, in November 2007, completed processing of two VISAS-92 cases in which it noted evidence of fraud in the petitioners own asylum application to DHS.

¶8. COOPERATION WITH HOST GOVERNMENT AUTHORITIES: Host country security services continue to provide information about persons and businesses with potentially criminal elements. Recently, the GoE helped Post learn of an establishment with links to prostitution. Additionally, the GoE continues to feed data into Post's fully automated reporting of Estonian lost and stolen passports (reftel

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(SBU): Estonia continues its drive to enter the Visa Waiver Program (VWP). A series of meetings took place between GoE and DHS officials in the second quarter of 2008, culminating in February with a visit from the Secretary of Homeland Security and the signing of a VWP Memorandum of Understanding.

¶9. AREAS OF PARTICULAR CONCERN: With Estonia now part of the Schengen zone, there is concern that illegal immigration into Estonia may increase as the country provides a gateway to onward passport-free travel to the rest of the EU. There is also concern that Third Country Nationals will try to use fraudulent Estonian travel documents to enter other Schengen countries.

¶10. STAFFING AND TRAINING: The Consular Section consists of two officers, one consular associate and two FSNs. Everyone assists with fraud prevention work as required. Both officers have completed PC-541 Fraud Prevention for Consular Managers. The Visa Assistant has recently completed PC-542 FSN Fraud Prevention.

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